EXCEPTION ORIGINAL OPEN MEETING AGENDALITEM

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BEFORE THE ARIZATEORY OF ATION COMMISSION

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COMMISSIONERS

JEFF HATCH-MILLER, Chairman WILLIAM A. MUNDELL

MARC SPITZER MIKE GLEASON

KRISTIN K. MAYES

2005 APR 25 P 2: 47

AZ CORP COMMISSION DOCUMENT CONTROL

Arizona Corporation Commission

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IN THE MATTER OF THE APPLICATION OF PINE WATER COMPANY FOR A

DETERMINATION OF THE CURRENT FAIR
VALUE OF ITS UTILITY PLANT AND

PROPERTY AND FOR INCREASES IN ITS RATES AND CHARGES BASED THEREON

10 FOR UTILITY SERVICE AND FOR APPROVAL TO INCUR LONG-TERM DEBT.

STAFF'S EXCEPTIONS

DOCKET NO. W-03512A-03-0279

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Commission Staff hereby files its proposed amendments to the Hearing Division's Recommended Opinion and Order. Staff files its proposed amendments for the limited purpose of modifying the Recommended Opinion and Order to reflect Staff's belief that responsibility for developing and proposing workable long-term solutions for water shortage issues in Pine, Arizona rests with Pine Water Company.

Staff agrees that Staff and other interested parties have an interest in working with Pine Water Company in resolving water shortage issues. However, the proposal of feasible solutions, as well as the critical analysis of the means by which the solutions may be implemented, should be first and foremost the company's responsibility. Therefore, Staff submits the attached proposed amendments to the Recommended Opinion and Order for Commission consideration.

In addition, Staff offers several amendments for clarification purposes and also to impose a time limit on the two-connection per month moratorium. Staff believes that it is not in the public

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1 STAFF PROPOSED AMENDMENTS 2 3 Proposed Amendment #1 – Page 11: 4 Line 8 - Delete "and the Commission's Staff to be actively involved in analyzing and 5 discussing" and replace with "to actively analyze" Line 16 – Insert "Staff," between "including" and "ADEO" 6 7 Proposed Amendment #2 – Page 11: Line 19 – Delete "Staff and" and also delete "jointly or separately" 8 Line 20 – Insert "progress" between "a" and "report" 9 Line 21 – Delete "the parties" and replace with "Pine Water" 10 Proposed Amendment #3 – Page 12: 11 Line 24 – Delete "modification" and replace with "the modification proposed in this decision" 12 13 Proposed Amendment #4 – Page 13: Line 4 – After "Commission" insert "or until December 31, 2006, whichever comes first" 14 Line 5 – Insert new ordering paragraph "IT IS FURTHER ORDERED that if by December 31, 2006, a permanent solution to Pine Water Company's water shortage issues is 15 not established or if the Commission has not issued a further order to the contrary, a 16 total moratorium on any new connections to Pine Water Company shall become effective on January 1, 2007." 17 18 Proposed Amendment #5 – Page 13: Line 8 - Insert new ordering paragraph "IT IS FURTHER ORDERED that all conditions 19 placed on the installation of meters that have been contained in previous 20 Commission decisions for Pine Water Company shall remain in effect during this modified moratorium." 21 22 Proposed Amendment #6 – Page 13: Line 8 - Delete "and Staff" 23 Line 9 – Insert "Staff," between "including" and "ADEQ" 24 Proposed Amendment #7 – Page 14: 25 Line 2 – Insert "ADEQ" between "these" and "matters" 26 27

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interest to allow connections to continue to occur indefinitely without a permanent solution to Pine 1 Water Company's water supply issues. 2 RESPECTFULLY SUBMITTED this 25th day of April 2005. 3 4 5 6 7 8 9 10 Original and thirteen (13) copies of the foregoing were filed this 25th day of April 2005 with: 11 12 **Docket Control** Arizona Corporation Commission 13 1200 West Washington Street Phoenix, Arizona 85007 14 Copy of the foregoing mailed this 15 25th day of April 2005 to: 16 Jay Shapiro Patrick Black 17 Fennemore Craig 3003 North Central Avenue 18 **Suite 2600** Phoenix, Arizona 85012 19 Attorneys for Pine Water Company 20 Robert M. Cassaro Post Office Box 1522 21 Pine, Arizona 85544 22 John O. Breninger Post Office Box 2096 23 Pine, Arizona 85544 24 25 26

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